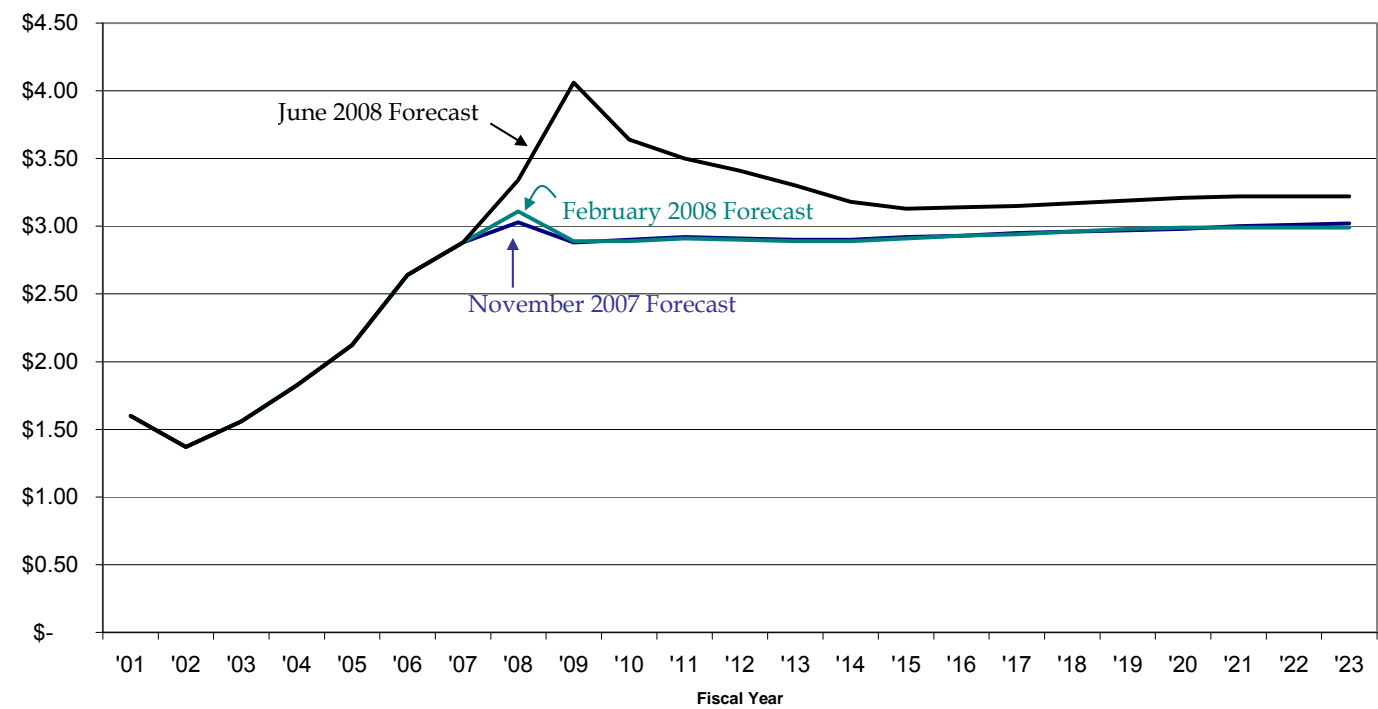


Washington State Transportation Economic & Revenue Forecast Overview

**Forecast-to-Forecast Comparison of Annual Average Gasoline Prices
Historical and Projected (Fiscal Years 2001 through 2023)**



Transportation Revenue Forecast Council • forecast adopted June 2008

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Preface

This report on the transportation economic and revenue forecasts is prepared by the Transportation Revenue Forecast Council each quarter. Questions concerning the contents of the report should be directed to:

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Washington State Transportation Economic & Revenue Forecast

Overview for the forecast adopted June 2008

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Forecast Process

Washington law provides statutory direction for the preparation and adoption of economic and revenue forecasts. These forecasts are used by state policy makers to assess the availability of resources for public purposes. In particular, components of the state economic and revenue forecasts are used to determine constraints on appropriations for the current biennium and budget requests and ten-year plans for ensuing biennia.

The organizations primarily responsible for revenue forecasts are the Economic and Revenue Forecast Council and the Office of Financial Management. The Economic and Revenue Forecast Council reviews and adopts many official state economic and revenue forecasts, as mandated by state law (RCW 82.33.010). This executive body is assisted by a staff organization called the Office of the Forecast Council. However, the Economic and Revenue Forecast Council and its staff do not consider certain forecasts. The Office of Financial Management has the statutory responsibility to prepare and adopt those forecasts not addressed by the Economic and Revenue Forecast Council (RCW 43.88.020(21)).

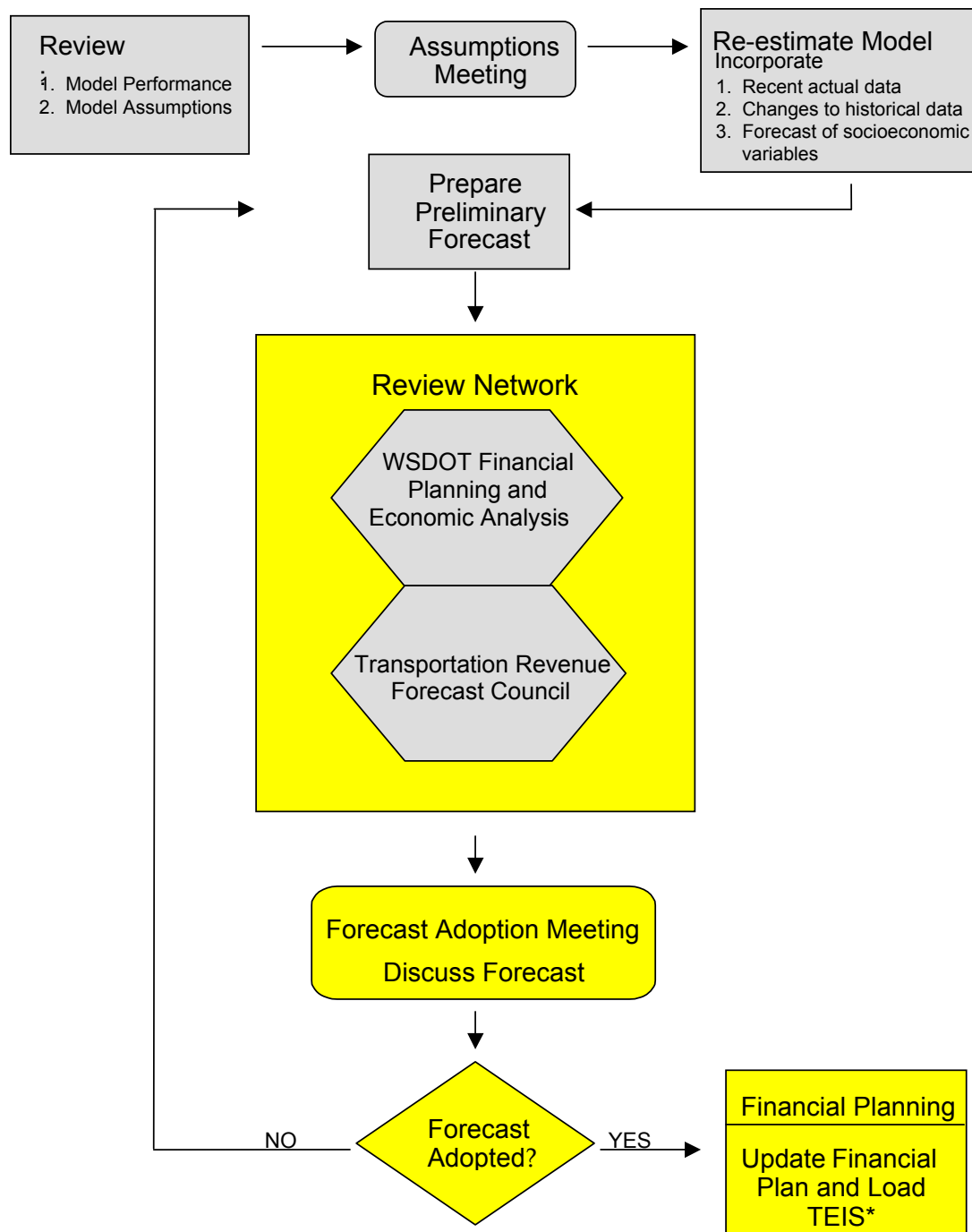
Of particular interest to this publication are the transportation revenue forecasts. The Office of Financial Management carries out its forecast responsibilities for transportation revenues through the Transportation Revenue Forecast Council. The Forecast Council was formed as an ad-hoc group in 1976. It has since evolved into a formal body that meets to review and adopt forecasts prepared by the technical staffs of the Department of Licensing, Department of Transportation and the Office of Forecast Council. Each quarter, the agencies involved in the revenue forecast process follow a schedule similar to the one shown in Figure 1. The revenue forecasts agreed upon by the Transportation Revenue Forecast Council members become the official estimated revenues under RCW 43.88.020(21) for transportation-related funds.

The Transportation Revenue Forecast Council includes representatives from the following:

- Office of Financial Management
- Office of the Forecast Council
- Office of the State Treasurer
- House Transportation Committee
- Senate Transportation Committee
- Department of Licensing
- Washington State Patrol
- Washington State Department of Transportation

Revenue Forecast Process and Executive Summary

Figure 1
Economic & Revenue Forecast Process Flow Chart



**Transportation Executive Information System*

Executive Summary

Washington state transportation activities are funded from three sources: state revenues, bond proceeds, and reimbursements from federal and local governments. Although this publication focuses primarily on state revenue sources, federal highway apportionments are also presented. State revenue sources include:

- Motor vehicle fuel taxes
- Motor vehicle licenses, permits and fees (LPF)
- Ferry fares
- Tolls
- Aeronautics revenues
- Driver's licenses and other driver related licenses, permits and fees
- Rental car tax
- 0.3 percent sales tax on new and used vehicles
- Miscellaneous revenues

These revenue sources support a variety of transportation activities at the state and local level. At the state level, revenues are deposited into various treasury accounts. Under the authority of legislative appropriations, state government spends money from these accounts for the benefit of the public. At the local level, state revenue is dispersed to cities and counties through direct distributions as well as through distribution due to requests made to state agencies from local agencies.

June 2008 Forecast Highlights

Revenue Sources

As shown in Table 1, the June 2008 forecast of major state transportation revenues shows total transportation revenue at more than \$4.1 billion for the 2007-09 biennium and forecasts \$4.4 billion in the 2009-11 biennium. For the 16-year planning period, 2007 to 2023, transportation revenues are projected to total \$39.9 billion. The majority of the revenue (approximately 84 percent) is comprised of motor vehicle fuel taxes and licenses, permits and fees. During the 2007-09 biennium motor vehicle fuel taxes are projected to be \$2.5 billion and LPFs total \$933 million. The remaining \$669 million is made up of all the other revenue sources.

Forecast-to-Forecast Comparisons

The June 2008 forecast for total revenues are projected \$76 million lower in the in the 2007-09 biennium when compared to what was projected in the February 2008 forecast. The major cause of revenue decrease is higher fuel prices, which results in lower fuel-tax revenue. Fuel tax revenue was down \$55 million in the current biennium compared to the last forecast. The 16-year total revenue forecast for June 2008 is projected to be \$714 million lower than projected in February 2008.

Total Distributions

State law directs the distribution of revenue to specific accounts within the state treasury. The use of these revenues is directed by law for both state and local entities. For example, motor vehicle fuel taxes, all of which are deposited into the Motor Vehicle Account, are dedicated to highway purposes. The comparison table shows the forecasted distributions of revenue to specific treasury accounts, for both state use and local use.

Distributions for State Uses

Forecasted distributions to state accounts decreased \$71 million for the 2007-09 biennium and \$631 million over the 16-year planning period.

Distributions for Local Uses

Forecast transportation revenues for local uses also decreased \$21 million from the previous forecast for the 2007-09 biennium and decreased over the 16-year planning period by \$194 million.

Transportation Revenue and Distribution Forecast

June 2008

millions of dollars

Table 1

	Current Biennium			2009-11			16-Year Period		
	Forecast June 08	Change from Feb 08	Percent Change	Forecast June 08	Change from Feb 08	Percent Change	Forecast June 08	Change from Feb 08	Percent Change
Sources of Transportation Revenue									
Motor Vehicle Fuel Taxes	2,532	(55)	-2.1%	2,703	(95)	-3.4%	24,121	(503)	-2.0%
Licenses, Permits and Fees	933	(8)	-0.9%	967	(15)	-1.5%	8,422	(107)	-1.3%
Ferry Fares	295	(7)	-2.2%	320	(9)	-2.6%	3,178	(59)	-1.8%
Toll Revenue*	75	(2)	-2.5%	120	(7)	-5.2%	1,329	(17)	-1.2%
Aeronautics Revenues	6	(0.1)	-2.3%	6	(0)	-3.6%	53	(1)	-1.8%
Rental Car Tax	47	0.2	0.5%	47	(2)	-3.5%	486	(8)	-1.5%
Vehicle Sales Tax	69	(5)	-6.8%	73	(8)	-9.8%	747	(17)	-2.2%
Driver Licenses and Other Driver-Related Fees	153	(1)	-0.9%	162	(3)	-1.7%	1,369	(15)	-1.1%
Miscellaneous Revenues	22	2	10.4%	21	1	3.4%	192	12	6.5%
Total Revenues	4,134	(76)	-1.8%	4,419	(137)	-3.0%	39,897	(714)	-1.8%
Distribution of Revenue									
Motor Fuel Tax Refunds and Transfers	137	15	12.3%	136	11	9.0%	1,278	112	9.6%
State Uses									
Motor Vehicle Account (108)	1,076	(26)	-2.3%	1,109	(32)	-2.8%	9,791	(200)	-2.0%
Transportation 2003 (Nickel) Account (550)	353	(9)	-2.4%	373	(15)	-3.8%	3,318	(84)	-2.5%
Transportation 2005 Partnership Account (09H)	526	(14)	-2.5%	619	(25)	-3.8%	5,455	(140)	-2.5%
Multimodal Account (218)	244	(4)	-1.7%	253	(10)	-3.8%	2,393	(26)	-1.1%
Special Category C Account (215)	49	(1)	-2.6%	51	(2)	-4.1%	454	(12)	-2.6%
Puget Sound Capital Construction Account (099)	35	(1)	-2.6%	37	(2)	-4.1%	330	(9)	-2.6%
Puget Sound Ferry Operations Account (109)	362	(8)	-2.2%	390	(11)	-2.7%	3,814	(73)	-1.9%
Tacoma Narrows Bridge Account (511)	75	(2)	-2.5%	120	(7)	-5.2%	1,329	(17)	-1.2%
Aviation Account (039)	6	(0.1)	-2.3%	6	(0)	-3.6%	53	(1)	-1.8%
State Patrol Highway Account (081)	324	(4)	-1.4%	342	(8)	-2.3%	2,979	(54)	-1.8%
Highway/Motorcycle Safety Accts. (106 & 082)	153	(1)	-0.9%	162	(3)	-1.7%	1,369	(15)	-1.1%
Freight Mobility Investment Account (09E)	6	0	0.0%	6	0	0.0%	48	0	0.0%
Air Pollution Control Account (216)	4	0	0.3%	n/a	n/a	n/a	4	n/a	n/a
Vessel Response Account (07C)	1	0	0.3%	n/a	n/a	n/a	1	n/a	n/a
Total for State Use	3,216	(71)	-2.1%	3,468	(114)	-3.2%	31,338	(631)	-2.0%
Local Uses									
Cities	190	(5)	-2.6%	199	(8)	-4.1%	1,774	(48)	-2.6%
Counties	324	(8)	-2.6%	338	(14)	-4.0%	3,020	(80)	-2.6%
Transportation Improvement Board (112 & 144)	200	(5)	-2.6%	208	(9)	-4.1%	1,861	(50)	-2.6%
County Road Administration Board (102 & 1116)	67	(2)	-2.6%	70	(3)	-4.1%	626	(17)	-2.6%
Total for Local Use	781	(21)	-2.6%	815	(34)	-4.0%	7,281	(194)	-2.6%
Total Distribution of Revenue	4,134	(76)	-1.8%	4,419	(137)	-3.0%	39,897	(714)	-1.8%

Components may not add due to rounding.

Discussion of Forecasts

The following discussion details the methodology used to forecast transportation revenues presented to the Transportation Revenue Forecast Council. After each methodology a brief summary of the resulting forecast is described.

For the June 2008 forecast, both the motor vehicle fuel tax and licenses, permits and fees revenue include actual data from collections to date.

Motor Fuel Forecasts

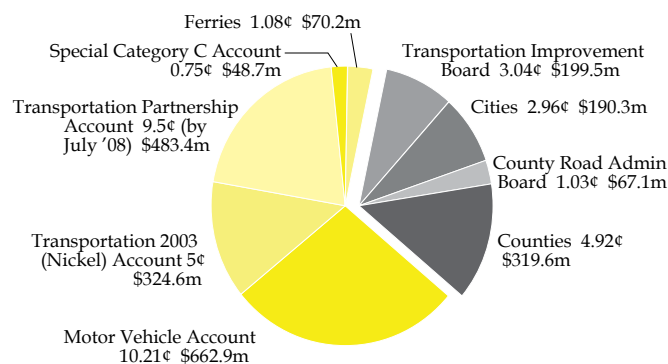
The June motor fuel forecast is considerably changed from the February forecast. Gross tax revenue from gasoline and diesel sales is down with an average 2.0 percent decrease, or \$503 million, over the forecast horizon. Net for distribution tax revenue is down by an average 2.6 percent, or \$607 million, over the same forecast horizon. Projected higher tribal refunds throughout the forecast horizon and much higher non-highway diesel refunds in the current fiscal year explain most of this divergence between gross and net tax revenue. Recent higher than projected actual refunds for diesel fuel is primarily a result of increased production in bio-diesel fuel, which is being exported outside of Washington State (resulting in a refund of the fuel tax paid prior export).

The decrease in gross revenue from gasoline sales over the forecast horizon is the result of higher actual and projected fuel prices and reduction of the projected economic growth next year, as measured by state real personal income. Slower projections for real personal income growth since the February forecast reflect the weaker U.S. economic outlook forecast. A substantial increase in mileage per gallon, as indicated by the light-duty vehicle fleet variable forecasted by Global Insight, results in a forecast-to-forecast decline in gross gasoline tax revenues, especially for years after 2020.

Motor Fuel Tax Revenue for Distribution

The pie chart below shows the statutory distribution of funds to the various jurisdictions based on the June 2008 fuel tax revenue forecast for the 2007-2009 biennium. More detailed information regarding fuel tax distributions is shown in the table on the following page.

Figure 2
Fuel Tax Revenue for Statutory Distribution
2007–09 \$2,366 million



Components may not add due to rounding.

Motor Fuel Tax Revenue for Distribution

The 18th Amendment of the Washington State Constitution states that all fuel tax revenues are dedicated for highway purposes. Taxes collected on fuels not used on state highways are either refunded or transferred to non-transportation accounts. After paying for refunds and the cost of collection, the remaining fuel taxes are distributed to cities, counties and state accounts according to statute.

Washington State Motor Fuel Tax Revenue and Distribution

June 2008

millions of dollars

Table 2								
	2007-09	2009-11	2011-13	2013-15	2015-17	2017-19	2019-21	2021-23
Gross Fuel Tax Collections	2,521	2,696	2,849	2,987	3,102	3,206	3,307	3,407
Refunds and Transfers	137	136	147	155	163	172	180	188
Costs of Collection (108)	17	18	19	19	20	21	22	22
NET FUEL TAX COLLECTIONS	2,366	2,541	2,683	2,812	2,918	3,013	3,106	3,197
DISTRIBUTIONS TO STATE ACCOUNTS	1,590	1,731	1,827	1,915	1,988	2,052	2,115	2,178
Motor Vehicle Account (108): 44.387% of 23¢	663	692	730	766	795	820	845	870
Special Category C (215): 3.2609% of 23¢	49	51	54	56	58	60	62	64
Transportation 2003 (Nickel) Account: 100% of 5¢	325	339	358	375	389	402	414	426
Transportation 2005 Partnership Account: 83.3334% of 3¢ & 100% 2¢ and 1.5¢	483	576	608	637	662	683	704	725
Washington State Ferries:								
Puget Sound Ferry Operations (109): 2.3283% of 23¢	35	36	38	40	42	43	44	46
Puget Sound Capital Construction (099): 2.3726% of 23¢	35	37	39	41	42	44	45	47
Total WSF Distribution	70	73	77	81	84	87	90	92
DISTRIBUTIONS TO LOCAL AGENCIES & STATE ACCOUNTS SUPPORTING LOCAL AGENCY PROGRAMS	777	811	856	897	931	961	990	1,020
Direct Distribution to Cities:								
10.6961% of 23¢	160	167	176	184	191	198	204	210
8.3333% of 6¢	32	34	36	37	39	40	41	43
Less Small City Pavement Account (transfer to TIB)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(3)
Total Distribution	190	199	210	220	228	235	243	250
Direct Distribution to Counties:								
19.2287% of 23¢ to Counties RCW 46.68.090(2)(h)	287	300	316	332	344	355	366	377
8.3333% of 6¢ RCW 46.68.090(4)(b) and (5)(b)	32	34	36	37	39	40	41	43
Total Distribution	320	334	352	369	383	396	408	420
Transportation Improvement Board (TIB):								
Urban Arterial Trust (112): 7.5597% of 23¢	113	118	124	130	135	140	144	148
Transportation Improvement (144): 5.6739% of 23¢	85	88	93	98	102	105	108	111
Plus: Small City Pavement Account	2	2	2	2	2	2	2	3
Total Distribution	200	208	220	230	239	247	255	262
County Road Admin. Board (CRAB):								
County Arterial Preservation (186): 1.9565% of 23¢	29	30	32	34	35	36	37	38
Rural Arterial Trust (102): 2.5363% of 23¢	38	40	42	44	45	47	48	50
Total Distribution	67	70	74	77	80	83	86	88
NET FOR DISTRIBUTION	2,366	2,541	2,683	2,812	2,918	3,013	3,106	3,197

Fuel taxes collected at the end of each fiscal year (June 30th collections) are not distributed until the following fiscal year (July).

This causes the month of collection and distribution to be different.

Discussion of Forecasts

License, Permits, and Fees Forecast

The Licenses, Permits, and Fees (LPF) revenue forecast has over 40 vehicle registration, permit, and fee items. Of these items, the \$30 basic registration fee and the Combined Licensing Fee (CLF) compose 69 percent of revenue generated. Projected vehicle registrations are multiplied either by statutory fees or average revenue realizations to determine annual revenue estimates. Vehicles paying the \$30 fee and the CLF make up 91 percent of the registered vehicles in the State of Washington.

Vehicle registration activity and revenue collection data are available from the Department of Licensing on a monthly basis. Passenger car and truck registrations are estimated using a least-squares regression equation with Washington State real personal income serving as the predictor variable for a short-term estimate and population, 18 and over, serving as the predictor variable for the long-term. Forecasts of the minor vehicle use classes and the numerous permits and fees associated with vehicle ownership and operation are driven by historical trends, relationships among and between vehicle classifications, and the judgment of officials at the Departments of Licensing or Department of Transportation who administer the fee programs.

The June 2008 forecast shows some change from the February 2008 forecast. Vehicles paying the \$30 basic registration fee are predicted to increase slightly into the forecast horizon, but less so than stated in the last forecast. Fewer vehicles that pay the CLF will register than was predicted in February; however, these vehicles tend to be in higher weight categories, increasing revenue slightly.

License, Permits, and Fees Revenue for Distribution

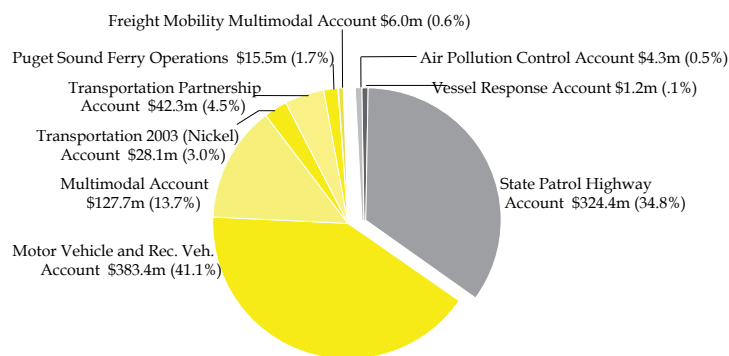
Distributions of the licenses, permits and fees revenue are set in statute. The June 2008

forecast estimates revenue of \$933 million for the 2007-09 biennium. As shown in Figure 3, Washington State Department of Transportation receives 64.6 percent of the total distribution with the Motor Vehicle Account receiving the largest share of revenues with 41 percent and Washington State Patrol receiving the second largest amount of 34.8 percent.

The remaining 24 percent is distributed to the Multimodal Account, the Nickel Account, Transportation Partnership Account, Puget Sound Ferry Operations Account, Freight Mobility Multimodal Account, the Vessel Response Account, and the Air Pollution Control Account.

More detailed information on the distribution of licenses, permits, and fees can be found in Table 3 on the following page.

Figure 3
Licenses, Permits, and Fees Revenue for Distribution
2007–09 \$932.9 million



Components may not add due to rounding.

Washington State License, Permits, and Fees Tax Revenue and Distribution

June 2008

millions of dollars

Table 3								
	2007-09	2009-11	2011-13	2013-15	2015-17	2017-19	2019-21	2021-23
REVENUE FROM LICENSES, PERMITS, AND FEES								
Total LPF Collected by DOL	814	847	881	910	939	967	996	1,025
Total LPF Forecasted by DOL	103	107	113	117	117	119	122	124
Total LPF Collected by DOT	15	14	14	15	15	16	16	16
Total Revenue from LPFs	933	967	1,008	1,042	1,071	1,102	1,134	1,166
DISTRIBUTIONS OF LICENSES, PERMITS, AND FEES								
Motor Vehicle Account (108)	382	392	409	423	432	445	458	470
State Patrol Highway Account (081)	324	342	356	368	380	391	403	415
Puget Sound Ferry Operations Account (109)	15	16	17	17	18	18	19	20
Recreational Vehicle Account (097)	1.4	1.5	1.5	1.5	1.5	1.6	1.6	1.6
Multimodal Account (218)	128	133	138	143	148	152	157	161
Transportation 2003 (Nickel) Account (550)	28	34	36	37	38	38	39	40
Transportation Partnership Account (09H)	42	43	45	46	48	49	51	52
Freight Mobility Multimodal Account (11E)	6	6	6	6	6	6	6	6
Air Pollution Control Account (216)	4	0	0	0	0	0	0	0
Vessel Response Account (07C)	1	0	0	0	0	0	0	0
Total Distribution	933	967	1,008	1,042	1,071	1,102	1,134	1,166

Components may not add due to rounding.

Discussion of Forecasts

Washington State Ferry System Forecast

Department of Transportation technical staff prepare forecasts of the various revenues for the Washington State Ferries (WSF) accounts. These forecasts include estimates of the following revenue sources:

- Ferry fares (by WSDOT-supervised consultant)
- Motor vehicle fuel tax distributions to the Ferry Accounts
- Motor vehicle related licenses, permits and fees distributions
- Concessions and other miscellaneous income

These WSF revenue sources may be categorized into two general types — ferry operating revenues and tax revenue distributions. Ferry revenues, which include fares and concessions, are paid by the patrons of the ferry system. Tax revenue distributions are statutory distributions received from tax revenue sources: (a) motor vehicle fuel taxes, and (b) motor vehicle related licenses, permits and fees.

WSF revenues are deposited into two accounts; the Puget Sound Ferry Operations Account and the Puget Sound Capital Construction Account.

The fare revenue forecasts for Washington State Ferries are completed in four stages. First, monthly ridership projections by six fare categories are prepared for each route using time-series analysis methods. These monthly route-by-fare category forecasts are based on the patterns and cycles exhibited by ridership history. The forecast horizon includes the current biennium and the next seven biennia, extending out sixteen years.

The second stage of the process generates system-wide ridership projections. Econometric models combining ferry fare scenarios and statewide economic variables are used to produce system-wide unconstrained ridership forecasts by six fare categories over the forecast horizon. Within each fare category, the individual route time-series forecasts are then calibrated to the results from the econometric models.

The resulting unconstrained ridership forecasts require an additional processing step to reflect vehicle capacity constraints that may occur on several routes. Ferry service and vessel size do not necessarily increase to meet peak season demands or general traffic growth. In fact, limitations caused by a fixed number of vessels, vessel capacities, and finite dock-loading areas can and will lead to significant vehicle queues during peak times, particularly on the Fauntleroy-Vashon-Southworth, Edmonds-Kingston, Mukilteo-Clinton, and San Juan Islands routes. Capacity problems are more likely if ferry fares are not increased to keep pace with inflation, because in this case, the real cost will decline over time, thereby encouraging additional ferry travel. Consequently, the third stage of the process consists of adjusting the calibrated passenger and vehicle ridership on each route to reflect changes in service hours; seasonal vehicle capacity constraints; and/or the addition and elimination of service, net of diversion impacts on other existing routes.

Last, the appropriate fares and average fare realizations are applied to the calibrated, capacity constrained ridership forecasts for each route by fare category. This yields monthly revenue forecasts by route for six fare categories of each fiscal year of the forecast horizon.

The June 2008 WSF ridership forecasts reflect slightly lower ridership demand throughout the forecast period due to downward revisions of real personal income from the February forecast.

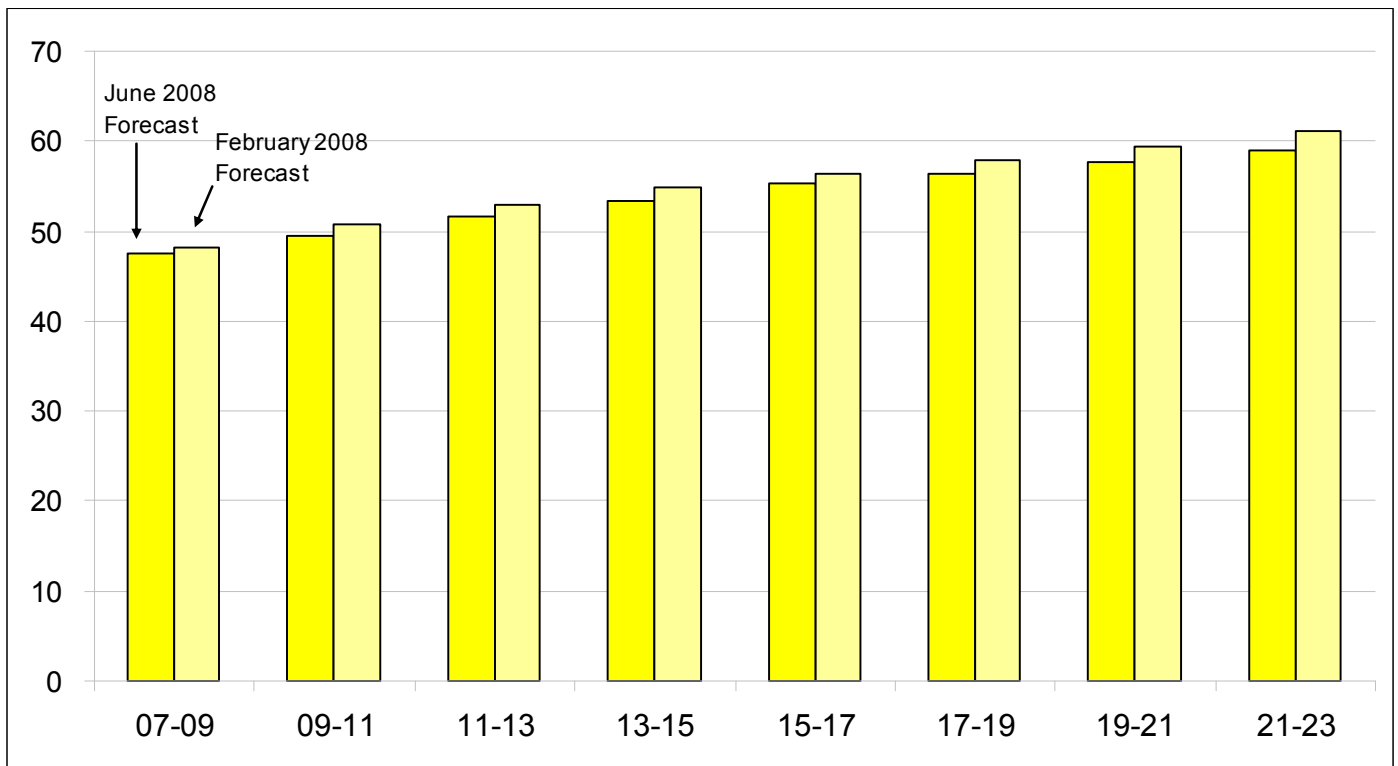
Including actual revenue collections through March 2008, revenue for fiscal year 2008 is projected to be \$2.0 million lower than forecast in February. For the remainder of the forecast horizon, the percentage decrease in revenue relative to the February forecast declines up through fiscal year 2015 and then increases a bit out to fiscal year 2023.

More detailed information regarding fare revenue can be found in the following chart and on page 21 of this report.

Washington State Ferry Ridership

June 2008

millions of riders



Discussion of Forecasts

Miscellaneous Revenues Forecast

In addition to major state and federal revenues, the Transportation Revenue Forecast Council also reviews revenues from miscellaneous sources deposited into the Motor Vehicle Account. Specifically, a forecast of Motor Vehicle Account miscellaneous revenues is prepared quarterly and consists of the following components:

- Sale of property
- Publications and documents
- Filing fees and legal services
- Property management
- Washington State Patrol services (ACCESS)
- Washington State Patrol publications
- WSDOT charges for services

Forecast of Miscellaneous Revenues

Sale of Property is the most significant revenue source of the miscellaneous revenues, and is updated to reflect actual revenue collections as well as incorporate projections for upcoming property auctions within the biennium. Estimates for outer biennia projections are based upon estimates of ongoing contract sale payments, and projections for the sale of significant properties scheduled for auction. Projected revenues in outer biennia for the other miscellaneous revenues will be based on current revenues increased by the Implicit Price Deflator (IPD).

Forecast miscellaneous revenue for 2007-09 is \$15.3 million and is forecast at \$13.7 million in 2009-11. Over the 16-year period miscellaneous revenue is expected to total \$117 million.

Forecast Changes in Miscellaneous Revenues

Total revenues for 2007-09 are projected to be \$2.3 million higher than projected in the February 2008 forecast due to early payoffs of existing contracts and a new major sale. Revenue projections for the 16-year planning period increased \$12.6 million from the February forecast.

Motor Vehicle Account Miscellaneous Revenue Forecast

June 2008

thousands of dollars

Table 4	Current Biennium 2007-09		2009-11		16-Year Period (2007-2023)	
	Forecast June 08	Chg from Feb 08	Forecast June 08	Chg from Feb 08	Forecast June 08	Chg from Feb 08
Revenue						
Sale of Property*	9,360	2,200	7,420	630	61,960	11,390
WSP Services	1,330	(170)	1,400	(160)	12,310	(1,420)
WSP Publications	470	10	500	20	4,350	150
DOT Services	180	(10)	190	(10)	1,670	(70)
Publications & Documents	550	50	580	60	5,100	520
Filing Fees & Legal Services	360	20	380	30	3,340	220
Property Management	1,550	40	1,630	60	14,350	540
Other Revenues	1,520	120	1,600	150	14,080	1,270
Total	15,320	2,260	13,700	780	117,160	12,600

Components may not add due to rounding.

**Revenues from the sale of property include principal and interest payments on purchase contracts (source 401).*

Transportation Revenue Forecast

Impact to Transportation Accounts

Motor Vehicle Account Revenue Forecast and Distributions

Many of the revenues discussed in the previous section are deposited into the Motor Vehicle Account – the largest transportation account. Initially all fuel tax revenues and miscellaneous revenues are deposited into this account. Net revenues that remain after statutory distributions are subject to 18th Amendment restrictions.

Forecasts of the Motor Vehicle Account Revenues and Distributions

Total revenue for the 2007-09 biennium in the Motor Vehicle Account will be \$2.9 billion. Revenues increase to \$3.1 billion by the 2009-11 biennium and to \$3.9 billion by the 2021-23 biennium.

The gas tax revenues deposited in the Motor Vehicle Account are distributed by statute to other state accounts and local governments. Tables 5 and 6 show the statutory distribution of these revenues. For the 2007-09 biennium, approximately 31 percent of the gas tax revenues are distributed directly to cities and counties for local road programs. Approximately 5.4 percent of the gas tax revenue is refunded to those who paid fuel taxes but did not use the fuel on roads. The remaining gas tax revenue is for state use (\$937 million), and will be distributed to Washington State Ferries, the Transportation 2003 (Nickel) Account, the 2005 Transportation Partnership Account, and the Special Category C Account (all highway project accounts). The remaining gas tax revenues of \$677 million is added to \$383 in licenses, permits and fees revenue and \$15 million in miscellaneous revenue, totaling \$1,075 million for the Motor Vehicle Account.

Motor Vehicle Account State Revenue & Distribution Forecasts

June 2008

millions of dollars

Table 5	2007-09	2009-11	2011-13	2013-15	2015-17	2017-19	2019-21	2021-23
Revenue								
Gross Fuel Tax Collections (Gas & Diesel)	2,532	2,703	2,855	2,992	3,106	3,210	3,311	3,412
Licenses, Permits, & Fees	383	394	410	424	434	447	460	472
Miscellaneous Revenue	15	14	14	14	14	15	15	16
Total	2,931	3,110	3,278	3,430	3,554	3,672	3,786	3,900
Distribution								
Refunds-Regular	137	136	134	142	149	157	165	172
Fuel Tax Distributions for Local Uses ¹	781	815	886	923	955	988	1,020	1,053
Fuel Tax Distributions for State Uses ²	937	1,050	1,142	1,189	1,231	1,273	1,315	1,357
Total	1,855	2,001	2,162	2,253	2,335	2,417	2,499	2,582
Net Revenue	1,076	1,109	1,116	1,177	1,219	1,255	1,287	1,317

Components may not add due to rounding.

¹Amounts include distributions to cities and counties and to state agencies that expend funds for the benefit of local jurisdictions, i.e. the Transportation Improvement Board and the County Road Administration Board.

²Amounts include distributions to the 2003 Transportation (Nickel), 2005 Transportation Partnership, Puget Sound Capital Construction, Puget Sound Ferry Operations, and Special Category C Accounts.

Impact to Transportation Accounts

Forecast Changes in State Motor Vehicle Account Revenues and Distributions

As shown in Table 6, total revenues in the Motor Vehicle Account decreased \$57 million for the 2007-09 biennium and decreased \$533 million over the 16-year horizon compared to the February forecast. Net revenues after distributions decrease \$26 million in 2007-09 and \$200 million for 2007 through 2023.

Motor Vehicle Account State Revenue & Distribution Forecast to Forecast Changes

June 2008

millions of dollars

Table 6	Current Biennium 2007-09		2009-11		16-Year Period (2007-2023)	
	Forecast June 08	Chg from Feb 08	Forecast June 08	Chg from Feb 08	Forecast June 08	Chg from Feb 08
Revenues						
Gross Fuel Tax Collections (Gas & Diesel)	2,532	(55)	2,703	(95)	24,121	(503)
Licenses, Permits, & Fees	383	(4)	394	(6)	3,424	(43)
Miscellaneous Revenue	15	2	14	1	117	13
Total	2,931	(57)	3,110	(100)	27,662	(533)
Distribution				0		
Refunds-Regular	137	15	136	11	1,278	112
Fuel Tax Distributions for Local Uses ¹	781	(21)	815	(34)	7,281	(194)
Fuel Tax Distributions for State Uses ²	937	(26)	1,050	(44)	9,312	(250)
Total	1,855	(31)	2,001	(67)	17,871	(333)
Net Revenue	1,076	(26)	1,109	(32)	9,791	(200)

Components may not add due to rounding.

¹Amounts include distributions to cities and counties and to state agencies that expend funds for the benefit of local jurisdictions, i.e. the Transportation Improvement Board and the County Road Administration Board.

²Amounts include distributions to the 2003 Transportation (Nickel), 2005 Transportation Partnership, Puget Sound Capital Construction, Washington State Ferries Operations, and Special Category C Accounts.

Impact to Transportation Accounts

Transportation 2003 (Nickel) Account Revenue Forecast

In 2003, the legislature established the Transportation 2003 (Nickel) Account in the state treasury to be the repository of the “nickel” fuel tax increase, and increases in various vehicle licenses, permits and fees. Since fuel tax receipts are deposited into this account, uses are restricted to highway purposes in accordance with the 18th Amendment to the Washington State Constitution. The “Nickel” Account was established to provide funding for a specific list of highway and ferry projects. The majority of the projects are bond financed and by 2015 the revenues in this account will be almost fully leveraged for debt service.

Forecast of the Transportation 2003 (Nickel) Account Revenue

During the 2007-09 biennium, Nickel Account revenue collections are forecast to be \$353 million and \$373 million in 2009-11. Deposits in this account are projected to be \$3.3 billion during the 16-year planning period.

Forecast Changes in the Transportation 2003 (Nickel) Account Revenue

Forecast total receipts in the Nickel Account decreased \$9 million in the 2007-09 biennium and \$14 million for 09-11 from the February 2008 forecast.

The fuel tax receipts forecast decreased \$81 million over the 16-year planning period. License, Permits, and Fees decreased \$3 million for the 16-year planning period.

This change in revenue to the Transportation 2003 (Nickel) Account is due to increased fuel prices which results in decreased consumption and revenue.

Transportation 2003 (Nickel) Account Revenue Forecast

June 2008

millions of dollars

Table 7	Current Biennium 2007-09		2009-11		16-Year Period (2007-2023)	
	Forecast June 08	Chg from Feb 08	Forecast June 08	Chg from Feb 08	Forecast June 08	Chg from Feb 08
Revenue						
5¢ Gas Tax	325	(9)	339	(14)	3,028	(81)
Licenses, Permits and Fees	28	0	34	(0.3)	290	(3)
Total	353	(9)	373	(15)	3,318	(84)

Components may not add due to rounding.

Impact to Transportation Accounts

Transportation Partnership Account Revenue Forecast

In 2005, the legislature established the Transportation Partnership Account in the state treasury to be the repository of the state portion of the new 9.5¢ fuel tax increases that take effect between FY 2006 and FY 2009.

The tax revenues support bond sales for specific highway projects adopted by the legislature. These funds are protected by the 18th Amendment to the State Constitution and can be used only for highway purposes.

Forecast of the Transportation Partnership Account Revenue

Tax collection began July 1, 2005. Total revenue is forecast at \$526 million for the 2007-09 biennium and \$619 million in 2009-11. During the 16-year planning period, revenues are projected at \$5.5 billion.

Forecast Changes in the Transportation Partnership Account Revenue

Total receipts in the partnership account decreased \$137 million over the 16-year period from the February 2008 forecast. Licenses, permits and fees forecast is fairly unchanged in the near term and down \$3 million in the long term.

Transportation Partnership Account Revenue Forecast

June 2008

millions of dollars

Table 8	Current Biennium 2007-09		2009-11		16-Year Period (2007-2023)	
	Forecast June 08	Chg from Feb 08	Forecast June 08	Chg from Feb 08	Forecast June 08	Chg from Feb 08
Revenue						
5¢ Gas Tax	483	(14)	576	(24)	5,078	(137)
Licenses, Permits and Fees	42	(0.3)	43	(0.5)	376	(3)
Total	526	(14)	619	(25)	5,455	(140)

Components may not add due to rounding.

Impact to Transportation Accounts

Washington State Ferry Accounts Revenue Forecast

Revenues deposited into the ferry accounts are used for operating costs and capital construction projects. Since Washington State Ferries are considered part of the Washington highway system, funds that are restricted to highway use can be deposited into ferry accounts.

Forecast of State Ferry Account Revenue

For the 2007-09 biennium total Washington State Ferries revenues are forecast at \$397 million including \$362 million going to the Puget Sound Ferry Operations Account and the remaining \$35 million going to the Puget Sound Capital Construction Account. Total revenues for the 16-year planning period are projected to be \$4.1 billion.

Forecast Changes in the State Ferry Account Revenue

Ferry fares, the primary source of funds for the Ferry Operations Account, decreased from the February 2008 forecast by \$7 million for the 07-09 biennium and decreased by \$59 million over the 16-year planning period. Distributions from the licenses, permits and fees forecast were relatively unchanged from the February 2008 forecast in the 2007-09 biennium and down \$2 million over the 16-year planning period.

Washington State Ferries Revenue Forecast

June 2008

millions of dollars

Table 9	Current Biennium 2007-09		2009-11		16-Year Period (2007-2023)	
	Forecast June 08	Chg from Feb 08	Forecast June 08	Chg from Feb 08	Forecast June 08	Chg from Feb 08
Revenue						
Puget Sound Ferry Op. Acct. (109)						
Ferry Fares ¹	295	(7)	320	(9)	3,178	(59)
Concessions & Other Revenue	7	(0.2)	8	(0.1)	75	(1)
Fuel Tax	45	(1)	47	(2)	422	(11)
LPFs	15	0.2	16	(0.2)	140	(2)
Subtotal	362	(8)	390	(11)	3,814	(73)
Puget Sound Cap. Const. Acct. (099)						
Fuel Tax ²	35	(1)	37	(1.6)	330	(9)
Subtotal	35	(1)	37	(1.6)	330	(9)
Total	397	(9)	427	(13)	4,145	(82)

Components may not add due to rounding.

Impact to Transportation Accounts

Multimodal Transportation Account Revenue Forecast

Revenues deposited into the Multimodal Transportation Account are not subject to 18th Amendment restrictions and may be used for both highway and non-highway purposes. Tax revenues deposited in the Multimodal Account are from the rental car tax (5.9 percent), sales tax on new and used vehicles (0.3 percent), \$2.00 of a \$3.00 vehicle registration filing fee, vehicle weight fees imposed in 2005 legislation, and other miscellaneous filing fees. Only those motor vehicle filing fees collected by the Department of Licensing and not by county subagents are deposited in the Multimodal Account.

The Office of the Forecast Council prepares the state rental car tax forecast and the vehicle sales tax forecast. The rental car forecast methodology is based on the assumption that the level of vehicle rental is tied to the overall level of economic activity in Washington. An econometric model is used to estimate future rental car tax receipts based upon the forecast of Washington state personal income prepared by the Office of the Forecast Council as well as past seasonal variations in receipts. The sales tax forecast is also prepared by the Office of the Forecast Council and is based upon an econometric model relating to vehicle sales in Washington.

Forecast of Multimodal Account Revenue

Total revenues in the Multimodal Account during 2007-09 are forecast to be \$244 million by the end of the biennium and are forecast to be \$253 million in the 2009-11 biennium. 16-year totals are projected at \$2.4 billion.

Forecast Changes in the Multimodal Account Revenue

The licenses, permits and fees category increased by \$500,000 in 2007-09, and decreased \$2 million over the 16-year planning period from the February 2008 Transportation Revenue Forecast.

Rental Car Tax was nearly unchanged in the 2007-09 biennium when compared to the last forecast, and the 16-year planning period revenue from Rental Car Tax decreased \$8 million.

Vehicle Sales tax on new and used vehicles decreased \$5 million in 2007-09, and decreased \$17 million over the 16-year planning period.

Overall, total revenues deposited into the Multimodal Account decreased \$4 million in the 2007-09 biennium. Over the 16-year planning period, total revenue decreased by \$26 million.

Multimodal Transportation Account Revenue Forecast

June 2008

millions of dollars

Table 10	Current Biennium 2007-09		2009-11		16-Year Period (2007-2023)	
	Forecast June 08	Change from Feb 08	Forecast June 08	Change from Feb 08	Forecast June 08	Change from Feb 08
Revenue						
Licenses, Permits and Fees	128	0.5	133	(0.5)	1,160	(2)
Rental Car Tax	47	0.2	47	(2)	486	(8)
Vehicle Sales Tax	69	(5)	73	(8)	747	(17)
Total	244	(4)	253	(10)	2,393	(26)

Components may not add due to rounding.

Impact to Transportation Accounts

Aeronautics Account Revenue Forecast

Revenues deposited into the Aeronautics Account consist of aircraft fuel tax, aircraft excise tax, aircraft dealer license fees, and the aircraft excise tax. Forecasts of aviation revenues are prepared by the Department of Transportation and the Department of Licensing.

The most significant component of the Aeronautics Account is the aircraft fuel tax forecast. This forecast is a function of three factors: the tax rate, the gallons of fuel delivered, and the gallons of fuel refunded. The net gallons delivered are based on the projected change in the total gallons of fuel forecast by the Transportation Revenue Forecast Council.

Forecast of the Aeronautics Account Revenue

Revenues for aviation taxes and fees are projected to be \$5.9 million in the 2007-09 biennium, \$6.2 million in the 2009-11 biennium and \$53.4 million over the 16-year planning period.

Forecast Changes in the Aeronautics Account Revenue

Total aviation taxes and fees for the 2007-09 biennium decreased \$137,000 from the February 2008 forecast. Over the 16-year planning period, revenues show a decrease of \$979,000.

Aeronautics Account Revenue Forecast

June 2008

thousands of dollars

Table 11	Current Biennium 2007-09		2009-11		16-Year Period (2007-2023)	
	Forecast June 08	Chg from Feb 08	Forecast June 08	Chg from Feb 08	Forecast June 08	Chg from Feb 08
Revenue						
Aircraft Fuel Tax	5,654	(137)	5,910	(229)	51,431	(979)
Aircraft Excise Tax	57	0	58	0	479	0
Aircraft Registrations	175	0	178	0	1,467	0
Aircraft Dealer License Fees	8	0	8	0	65	0
Total	5,894	(137)	6,154	(229)	53,442	(979)

Components may not add due to rounding.

Impact to Transportation Accounts

Highway Safety & Motorcycle Safety Education Accounts Revenue Forecast

Forecasts of revenues for the Highway Safety Account and the Motorcycle Safety Education Account are prepared by the Department of Licensing. These accounts are supported primarily from driver licensing related revenue. Forecasts include estimates of the following revenue sources.

- Revenues derived from interest on contracts
- Driver's license fees
- Copies of records
- Motor vehicle filing fees
- Commercial driver training
- Miscellaneous
- Motorcycle permits and endorsements

The forecast methodology is based on the assumption that driver's license revenue is related to the number of licenses issued during the year, employment, population, season, administrative or legislative changes, and the performance of the Washington economy relative to the nation's economy. Econometric models are used to predict the number of original and renewal driver's licenses, revenue from copies of records, motor vehicle filing fees, commercial driver training, and miscellaneous revenue.

Forecast of the Highway Safety & Motorcycle Safety Education Accounts Revenue

Compared to the prior forecast, the June 2008 Highway/Motorcycle Safety total revenues forecast is decreased by \$1.4 million in the 07-09 biennium. Over the 16-year planning period the Highway /Motorcycle Safety Account decreased by \$15 million from the June 2008 forecast.

Highway Safety & Motorcycle Safety Accounts Revenue Forecasts

June 2008

millions of dollars

Table 12	Current Biennium 2007-09		2009-11		16-Year Period (2007-2023)	
	Forecast June 08	Chg from Feb 08	Forecast June 08	Chg from Feb 08	Forecast June 08	Chg from Feb 08
Revenue						
Highway Safety						
Driver License Fees	115	0.4	123	(0.3)	1,025	(3)
Copies of Records	30	(2)	31	(2.4)	274	(13)
Motor Vehicle Filing Fees	4	0	4	0	32	(0.2)
Other and Miscellaneous	1	0.1	1	0	7.4	0
Subtotal	150	(2)	158	(3)	1,338	(15)
Motorcycle Safety & Education						
Permits & Endorsements	4	0.1	4	0	31	0.3
Subtotal	4	0.1	4	0	31	0.3
Total	153	(1.4)	162	(2.7)	1,369	(15)

Components may not add due to rounding.

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Federal Funds Forecast

After state funds, the largest source of transportation revenue is federal funds. The Federal Funds forecast deals with programmatic funds distributed by the Federal Highway Administration (FHWA). Federal Funds are distributed on a federal fiscal year (FFY) basis, which begins on October 1. The February 2008 forecast is based upon the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), a \$193.1 billion federal-aid highway program nationally that was signed into law on August 10, 2005.

Recent federal budget projections continue to show that the Highway Trust Fund will be in deficit in 2009. With the long term outlook for continued high fuel prices, Congress may have to address this shortfall in available highway funding as early as 2008 by adding revenue or reducing spending. A National Policy and Revenue Study Commission has completed their task and presented their recommendations to Congress. Congress has taken the Commission's recommendations under advisement, but as of this forecast has not acted.

Forecasts of Federal Revenues

WSDOT prepares forecasts of federal revenue apportionments. In order to prepare these forecasts, assumptions are needed. The following assumptions are made for this forecast:

- Federal fuel taxes continue at the current rate, 18.4¢ for gasoline and 24.4¢ for diesel fuel.
- Distributions to states will continue to be tied to Highway Trust Fund receipts.
- Future apportionments of highway related programmatic funds will be similar to SAFETEA-LU.

The forecasts of federal funds include estimates for the following programs:

Interstate Maintenance (IM) - This program funds maintenance of the Interstate System. A state's Interstate Maintenance apportionment is based on the number of lane miles, vehicle miles traveled, and commercial vehicle contributions. These factors are combined into a single weighting factor for calculating a state's share of the Interstate Maintenance Program. All of the Interstate Maintenance funds are programmed by WSDOT.

National Highway System (NHS) - This program funds rural and urban roads that are part of the National Highway System, a 163,000 mile system including the Interstate System, the defense strategic highway network and strategic highway connectors, and some urban and rural principal arterials. The National Highway System apportionment is based on a state's lane miles, vehicle miles traveled, diesel fuel consumption and lane miles per capita. These factors are combined into a single weighting factor for calculating a state's share of the National Highway System funding. In Washington state, 98 percent of the National Highway System belongs to WSDOT.

Equity Bonus Program - This program provides funding to states based on equity considerations. These include a minimum rate of return on contributions to the Highway Account of the Highway Trust Fund, and a minimum increase relative to the average dollar amount of apportionments under TEA-21. Part of the Equity Bonus funds are dedicated to six major programs and another part is flexible and can be spent anywhere in the state.

Surface Transportation Program (STP) - The Surface Transportation Program is a block grant type program that is the most flexible of all federal aid programs, allowing use for the widest array of transportation projects. The Surface Transportation Program apportionment is based on a state's lane miles, vehicle miles traveled and contributions to the Highway Account of the Highway Trust Fund.

These factors are combined into a single weighting factor for calculating a state's share of the Surface Transportation Program funding.

Highway Safety Improvement Program – The Highway Safety Improvement Program is a new core Federal-aid program to achieve reductions in traffic fatalities and serious injuries on all public roads. The Highway Safety Improvement Program apportionment is based on a state's lane miles, vehicle miles traveled and number of fatalities. These factors are combined into a single weighting factor for calculating a state's share of the Highway Safety Improvement Program funding.

Railway-Highway Crossings Program – The Railway-Highway Crossings Program is a safety set-aside from each state's apportionment for the Surface Transportation Program to reduce fatalities and injuries at highway-rail grade crossings. The Railway-Highway Crossings Program apportionment is based on a state's Surface Transportation Program apportionment and the number of railway-highway crossings.

Bridge Replacement and Rehabilitation – This program funds the replacement or rehabilitation of deficient bridges (bridges that are unsafe because of structural deficiencies, physical deterioration, or functional obsolescence). The Highway Bridge Program apportionment is based on a state's relative share of the total cost to repair and replace deficient highway bridges.

Coordinated Border Infrastructure Program – This program is a new formula program that replaces a previous discretionary program. The Coordinated Border Infrastructure Program apportionment is based on a state's number of land border ports of entry, incoming commercial trucks, incoming cargo by commercial trucks and incoming personal vehicles. These factors are combined into a single weighting factor for calculating a state's share of the Coordinated Border Infrastructure Program funding.

Congestion Mitigation and Air Quality (CMAQ) – This program funds projects to improve air quality and ease congestion within ozone, carbon monoxide and particulate matter non-attainment and maintenance areas (Puget Sound, Spokane, Vancouver, Yakima, and Olympia). Appropriation of CMAQ funds is based upon air quality non-attainment status and population. The local Metropolitan Planning Organizations (MPO) distributes CMAQ funds.

Safe Routes to Schools – This program is a new formula program to enable and encourage children to walk and bicycle to school. The Safe Routes to Schools Program apportionment is based on a state's relative shares of total enrollment in primary and middle schools.

Metropolitan Planning – This program funds local transportation planning efforts including the development of the Metropolitan Transportation Plans and Transportation Improvement Programs. MPO planning funds are a 1.25 percent take-down directly from each of the five major highway programs before state apportionments are made.

Recreational Trails – This program funds non-highway recreational vehicle use. The Interagency Recreation and Conservation Funding Board administers these funds in coordination with WSDOT's Highways and Local Programs Division. The Recreational Trails Program apportionment is based on an equal share to all states and a proportionate share based on non-highway recreational fuel use. These factors are combined in calculating a state's share of the Recreational Trails Program funding.

State Planning and Research – This program is funded through a two percent take down of each of the other highway programs after apportionment. Funds must be used for preliminary engineering and research.

High Priority Projects – This program provides designated funding for specific projects identified in SAFETEA-LU by Congress.

Forecast of Federal Revenue

Actual federal revenues for Washington for FFY2006 were \$576 million and \$647 million in FFY2007. The five-year (2005-2009) total projection of federal funds from (SAFETEA-LU) without the 2009 rescission of

unobligated funds is \$3.1 billion. The five-year projection with the rescission of funds and the projected Highway Trust Fund shortfall is \$2.9 billion.

Washington's Apportionment of FHWA Programs

June 2008 Forecast (Includes RABA and Rescission Adjustments)

millions of dollars

SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users											
	Forecast	Chg from	Forecast	Chg from	Forecast	Chg from	Forecast	Chg from	Forecast	Chg from	Forecast	Chg from
	Actual 2008	Feb-08	Jun-08 2009*	Feb-08	Jun-08 2010	Feb-08	Jun-08 2011	Feb-08	Jun-08 2012	Feb-08	Jun-08 2013	Feb-08
Interstate Maintenance	98	-	67	-	88	-	89	-	90	-	91	-
National Highway System	111	-	75	-	97	-	99	-	100	-	102	-
Minimum Guarantee Flexible	-	-	-	-	-	-	-	-	-	-	-	-
Equity Bonus Flexible	13	-	8	-	13	-	13	-	13	-	13	-
Surface Transportation Program ¹	124	-	87	-	112	-	114	-	115	-	117	-
Safety Setaside ²	-	-	-	-	-	-	-	-	-	-	-	-
Enhancements Setaside	12	-	12	-	12	-	12	-	12	-	12	-
Areas Over 200,000	39	-	26	-	35	-	36	-	36	-	37	-
Areas Under 200,000	19	-	9	-	16	-	16	-	17	-	17	-
Areas Under 5,000	11	-	11	-	11	-	11	-	11	-	11	-
STP Flexible	42	-	28	-	37	-	38	-	39	-	39	-
Highway Safety Improvement Program ²	19	-	14	-	17	-	17	-	18	-	18	-
Railway-Highway Crossings ²	4	-	3	-	4	-	4	-	4	-	4	-
Bridge	154	-	112	-	146	-	148	-	151	-	153	-
Border Infrastructure Program	11	-	9	-	12	-	12	-	12	-	12	-
CMAQ	32	-	22	-	28	-	29	-	29	-	30	-
Safe Routes to Schools	3	-	2	-	4	-	4	-	4	-	4	-
MPO Planning	6	-	5	-	6	-	6	-	6	-	6	-
Recreational Trails	2	-	1	-	2	-	2	-	2	-	2	-
SPR from all Programs	11	-	8	-	10	-	10	-	11	-	11	-
Subtotal Apportionments	587	-	414	-	539	-	547	-	554	-	561	-
High Priority Projects	55	-	55	-	20	-	20	-	20	-	20	-
Total Apportionments	642	-	469	-	559	-	567	-	574	-	581	-

SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users											
	Forecast	Chg from	Forecast	Chg from	Forecast	Chg from	Forecast	Chg from	Forecast	Chg from	Forecast	Chg from
	Jun-08 2014	Feb-08	Jun-08 2015	Feb-08	Jun-08 2016	Feb-08	Jun-08 2017	Feb-08	Jun-08 2018	Feb-08	Jun-08 2019	Feb-08
Interstate Maintenance	93	-	94	-	95	-	97	-	98	-	99	-
National Highway System	103	-	104	-	106	-	107	-	108	-	110	-
Minimum Guarantee Flexible	-	-	-	-	-	-	-	-	-	-	-	-
Equity Bonus Flexible	14	-	14	-	14	-	14	-	14	-	15	-
Surface Transportation Program	119	-	120	-	122	-	123	-	125	-	126	-
Safety Setaside	-	-	-	-	-	-	-	-	-	-	-	-
Enhancements Setaside	12	-	12	-	12	-	12	-	12	-	13	-
Areas Over 200,000	37	-	38	-	39	-	39	-	40	-	40	-
Areas Under 200,000	18	-	18	-	19	-	19	-	19	-	20	-
Areas Under 5,000	11	-	11	-	11	-	11	-	11	-	11	-
STP Flexible	40	-	40	-	41	-	42	-	42	-	43	-
Highway Safety Improvement Program	18	-	18	-	19	-	19	-	19	-	20	-
Railway-Highway Crossings	4	-	4	-	4	-	4	-	4	-	4	-
Bridge	155	-	157	-	159	-	161	-	163	-	165	-
Border Infrastructure Program	12	-	12	-	12	-	12	-	12	-	12	-
CMAQ	30	-	30	-	31	-	31	-	31	-	32	-
Safe Routes to Schools	4	-	4	-	4	-	4	-	4	-	4	-
MPO Planning	6	-	6	-	6	-	6	-	6	-	6	-
Recreational Trails	2	-	2	-	2	-	2	-	2	-	2	-
SPR from all Programs	11	-	11	-	11	-	11	-	11	-	12	-
Subtotal Apportionments	569	-	577	-	584	-	591	-	598	-	605	-
High Priority Projects	20	-	20	-	20	-	20	-	20	-	20	-
Total Apportionments	589	-	597	-	604	-	611	-	618	-	625	-

* Includes the 2009 rescission of unobligated balances of highway contract authority and the estimated shortfall in the Highway Trust Fund.

¹ Total Surface Transportation Program funds include additional funds from value pricing.

² The FFY 2004 and FFY 2005 Surface Transportation Program safety set-aside funds have been included in the respective SAFETEA-LU Highway Safety Improvement Program and Railway-Highway Crossings Program.

Washington's Apportionment of FHWA Programs

June 2008 Forecast

Includes RABA and Rescission Adjustments

millions of dollars

SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users											
	Forecast	Chg from	Forecast	Chg from	Forecast	Chg from	Forecast	Chg from	Forecast	Chg from	Forecast	Chg from
	Jun-08	Feb-08	Jun-08	Feb-08	Jun-08	Feb-08	Jun-08	Feb-08	Jun-08	Feb-08	Jun-08	Feb-08
	2020		2021		2022		2023		2024		2025	
Interstate Maintenance	100	-	101	-	102	-	103	-	104	-	106	-
National Highway System	111	-	112	-	113	-	115	-	116	-	117	-
Minimum Guarantee Flexible	-	-	-	-	-	-	-	-	-	-	-	-
Equity Bonus Flexible	15	-	15	-	15	-	16	-	16	-	16	-
Surface Transportation Program	128	-	129	-	130	-	132	-	133	-	135	-
Safety Setaside	-	-	-	-	-	-	-	-	-	-	-	-
Enhancements Setaside	13	-	13	-	13	-	13	-	13	-	13	-
Areas Over 200,000	41	-	41	-	41	-	42	-	42	-	43	-
Areas Under 200,000	20	-	20	-	21	-	21	-	21	-	22	-
Areas Under 5,000	11	-	11	-	11	-	11	-	11	-	11	-
STP Flexible	43	-	43	-	44	-	44	-	45	-	45	-
Highway Safety Improvement Program	20	-	20	-	20	-	21	-	21	-	21	-
Railway-Highway Crossings	4	-	4	-	4	-	4	-	4	-	4	-
Bridge	167	-	169	-	171	-	173	-	174	-	176	-
Border Infrastructure Program	12	-	12	-	12	-	12	-	12	-	12	-
CMAQ	32	-	33	-	33	-	33	-	34	-	34	-
Safe Routes to Schools	4	-	4	-	4	-	4	-	4	-	4	-
MPO Planning	6	-	6	-	7	-	7	-	7	-	7	-
Recreational Trails	2	-	2	-	2	-	2	-	2	-	2	-
SPR from all Programs	12	-	12	-	12	-	12	-	12	-	12	-
Subtotal Apportionments	611	-	618	-	625	-	631	-	638	-	645	-
High Priority Projects	20	-	20	-	20	-	20	-	20	-	20	-
Total Apportionments	631	-	638	-	645	-	651	-	658	-	665	-

APPENDIX A: GLOSSARY AND ABBREVIATIONS

DOL

The Washington State Department of Licensing.

Elasticity

A measure describing the responsiveness of fuel consumption when the state's economic climate changes. It is a ratio comparing the percentage change in gasoline consumption to a percentage change in an economic indicator such as price or personal income.

E&RFC

The Washington State Economic and Revenue Forecast Council.

Fiscal Year

This refers to the state government's fiscal year. For example, Fiscal Year 2008 runs from July 1, 2007 through June 30, 2008.

Fuel Tax Refunds

Many users of gasoline and diesel fuel are exempt from the fuel tax or are eligible for a refund if the tax has been paid. Most governmental entities fall under this category as well as private users of fuels in motor vehicles off the highway system or in engines not part of a motor vehicle. In addition, there are several statutory transfers from the Motor Vehicle Fund — the sizes of which are based on studies determining the approximate quantities of automotive gasoline used in pleasure boats, ORVs, snowmobiles, and airplanes. Consequently, the State Treasurer transfers funds monthly from the Motor Vehicle Fund to various accounts that support these recreational activities.

General Fund

This is the state treasury fund from which all appropriations not supported by dedicated revenue sources are made. Currently, 65 percent of all revenues and expenditures of the state pass through the General Fund.

Implicit Price Deflator for Personal Consumption (IPD-PC)

This is a measure, over time, of price changes for goods and services. It reflects changes in the actual consumption pattern of the American consumer. The base year is 2000. The IPD-PC is used as the "inflation" index by state agencies.

Inflation

This is a measure of the rate of change of prices for goods and services. In this document, the annual rate of inflation is defined as the annual percentage change in the Implicit Price Deflator for Personal Consumption.

LPFs

Licenses, permits, and fees.

MVET

Motor Vehicle Excise Tax.

OFM

Washington State Office of Financial Management.

Personal Income

This is the sum of proprietor's income, wage and salary payments, other labor income, interest, dividends, rent and transfer payments.

Real (or Inflation-Adjusted, or Constant Dollars)

This modifier, applied to statistics for income or prices, removes the effect of inflation so that actual change can be observed. In this publication, the Implicit Price Deflator for Personal Consumption Expenditures has been used to make adjustments for inflation.

Seasonally-Adjusted

This modifier indicates that a statistical series has been corrected for patterns of excessive increase or decrease, which are characteristic of the time of year rather than an indication of underlying changes in the economy. The technique involves identifying a yearly repetitive pattern and applying this pattern to the unadjusted data series.

TIB

Transportation Improvement Board, formerly called the Washington State Urban Arterial Board.

TRFC

Transportation Revenue Forecast Council

WSDOT

Washington State Department of Transportation.

WSF

Washington State Ferries.

WSP

Washington State Patrol.

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APPENDIX B: DATA SOURCES

Fuel Efficiency or Miles Per Gallon (MPG)

Historical and forecast values are estimated by Global Insight.

Gasoline and Diesel Fuel Gallonage

Historical values are collected by the Washington State Department of Licensing. Forecast values are estimated by the Washington State Department of Transportation.

Gasoline Price (Implicit Price Deflator for Gasoline and Oil)

Historical values are published by the U.S. Energy Information Administration. Forecast values are estimated for the remaining years from Global Insight values.

Inflation

Historical values are published by the U.S. Department of Commerce, Bureau of Economic Analysis. Forecast values for the first three years are estimated by the Economic and Revenue Forecast Council and figures for the remaining years are extrapolated from Global Insight values.

Washington State Real Personal Income

Historical values are published by the U.S. Department of Commerce, Bureau of Economic Analysis. Forecast values for the first three years are estimated by the Economic and Revenue Forecast Council and values for the remaining years are projected by the Office of Financial Management

Washington State Population

Historical and forecast values are published by the Forecasting Division of the Washington State Office of Financial Management, Population Estimation and Forecasting Unit.